

## Strategic Goal 1

Strategic Goal	Objective	Key Performance Measure
→	→	
Restore the capability of veterans with disabilities to the greatest extent possible and improve the quality of their lives and that of their families	1.1 Maximize the physical, mental, and social functioning of veterans with disabilities and be recognized as a leader in the provision of specialized health care services.	Percent of veterans who were discharged from a Domiciliary Care for Homeless Veterans (DCHV) program, Health Care for Homeless Veterans (HCHV), or Grant Per Diem community-based contract residential treatment program to an independent or secured institutional living arrangement
	1.2 Provide timely and accurate decisions on disability compensation claims to improve the economic status and quality of life of service-disabled veterans.	Average days to process rating-related actions on compensation and pension claims
		National accuracy rate for core rating work
		Average days pending to process rating-related actions
		Percent of claimants who are Benefits Delivery at Discharge (BDD) participants
		Number of days to obtain service medical records
	1.3 Provide all service-disabled veterans with the opportunity to become employable and obtain and maintain suitable employment, while providing special support to veterans with serious employment handicaps.	Vocational rehabilitation and employment rehabilitation rate
	1.4 Improve the standard of living and income status of eligible survivors of service-disabled veterans through compensation, education, and insurance benefits.	There are currently no key performance measures associated with this objective.

To achieve this strategic goal, VA needs to maximize the ability of veterans with disabilities, those in special veteran populations (e.g., elderly veterans or those with serious mental illness), and veterans' dependents and survivors to become full and productive members of society through a system of health care, compensation, vocational rehabilitation, life insurance, dependency and indemnity compensation, and dependents' and survivors' education. This

system of benefits and services is aimed toward the broad outcome of restoring the individual capabilities of our Nation's disabled veterans.

The following table identifies estimates of the total resources devoted to this strategic goal and its associated objectives.

<b>Resources by Objective</b>		
	<b>FY 2004 Obligations</b>	<b>% of Total VA Resources</b>
<b>Total VA Resources</b>	\$69,743	100%
<b>Strategic Goal 1:</b> Restore the capability of veterans with disabilities to the greatest extent possible and improve the quality of their lives and that of their families.	\$44,814	64.3%
<b>Objective</b>		
1.1 Maximize the physical, mental, and social functioning of veterans with disabilities and be recognized as a leader in the provision of specialized health care services.	\$16,147	23.2%
1.2 Provide timely and accurate decisions on disability compensation claims to improve the economic status and quality of life of service-disabled veterans.	\$27,609	39.6%
1.3 Provide all service-disabled veterans with the opportunity to become employable and obtain and maintain suitable employment, while providing special support to veterans with serious employment handicaps.	\$697	1.0%
1.4 Improve the standard of living and income status of eligible survivors of service-disabled veterans through compensation, education, and insurance.	\$361	0.4%

## Provide Specialized Health Care Services

**Strategic Goal:** Restore the capability of veterans with disabilities to the greatest extent possible and improve their quality of their lives and that of their families.

**Objective 1.1:** Maximize the physical, mental, and social functioning of veterans with disabilities and be recognized as a leader in the provision of specialized health care services.

### Performance Goal

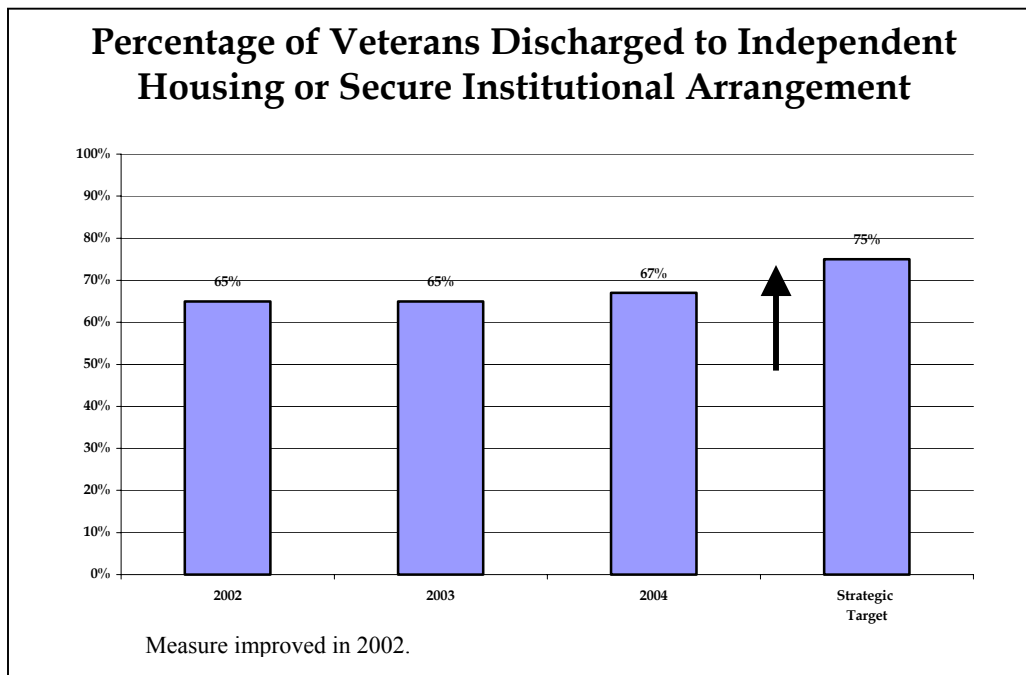
Increase the percentage of veterans discharged from a Domiciliary Care for Homeless Veterans (DCHV) program, Health Care for Homeless Veterans (HCHV), or Grant Per Diem community-based contract residential treatment program to an independent housing or a secure institutional arrangement to 67 percent for FY 2004.

*Definition: The numerator for this measure is: All patients whose discharge disposition is to independent housing (i.e., own apartment, room or single-room-occupancy arrangement) or secure institutional living arrangement (including halfway houses, transitional living programs and domiciliary facilities). The denominator is: All patients discharged from a VA DCHV, or a community-based residential care facility under the HCHV program.*

### Current Situation Discussion

VHA's strategic objective to address the strategic goal and the Secretary's priority is to *Enhance, Preserve and Restore Patient Function*. The Department has adopted several performance measures to help assess the treatment of veterans with special needs and special disabilities. VHA will focus on improving functioning and enhancing outcomes for patients with special needs and special disabilities, and on coordinating acute, chronic, and rehabilitative care to improve patient functioning. In FY 2002, specialized care was provided to veterans in the following categories:

Disability	Number of Patients
Spinal Cord Dysfunction	11,672
Blindness	12,964
Traumatic Brain Injury	225
Amputation	5,507
Seriously Mentally Ill	293,246
Substance Abuse	88,044
Homeless	39,272
Post-Traumatic Stress Disorder	50,046



One of the major goals of VA's DCHV, HCHV and Grant Per Diem programs is to provide treatment and assistance to homeless veterans who have been living on the streets or in emergency shelters. A primary indicator that this has been implemented is that veterans do not return to homelessness following residential treatment. There are an increasing number of residential beds in the community, funded under VA's Homeless Providers and Grant Per Diem Program, that offer continued supervised housing with support services for homeless veterans. The increasing availability of these beds has allowed VA to extend the continuum of care for homeless veterans. As a result, an increasing number of veterans can be placed in a supported housing program where they can continue to work toward self-sufficiency. These veterans are continuing to live in structured, supervised residential programs. They have not returned to homelessness, and their housing status is known. For those veterans, along with those returned to "independent" living, this measure more accurately captures the living situations of all homeless veterans.

### **Means and Strategies**

VHA is focused on promoting the health, independence, quality of life, and productivity of all special populations veterans including homeless veterans. Discharge to non-institutional, community living, or secure institutional living arrangement is a positive health outcome.

VHA will continue to support an increase in the number of residential beds in the community, funded under VA's Homeless Providers Grant and Per Diem

Program and community-based programs. These programs will offer continued supervised housing with support services in a structured, supervised environment to reduce the risk of homelessness.

VHA will provide a continuum of specialized care for homeless veterans that includes: 1) VA outreach and case management services; 2) residential treatment in VA's DCHV; 3) transitional supported housing and supportive service centers provided by faith-based and community-based organizations through VA's Homeless Providers Grant and Per Diem Program; 4) assistance with employment through VA's Compensated Work Therapy (CWT) Program coupled with VA community-based supported housing in CWT/Transitional Residential (CWT/TR) Programs; and 5) assistance with permanent housing through a joint program with the Department of Housing and Urban Development (HUD) in which HUD provides dedicated Section 8 Vouchers for homeless veterans and VA provides ongoing case management services.

VHA has included in this year's plan two new measures of health care outcome for special populations of veterans. Although not key measures, the new measures will focus on the quality of chronic and preventive care for these special populations who have been seen within the last two years.

### **Crosscutting Activities**

VA's Homeless Grant and Per Diem Program provides grants to community-based organizations, state or local governments, or Native American tribes to assist with the construction or renovation of new transitional beds and other supportive services programs.

Under VA's Community Homelessness Assessment, Local Education and Networking Groups (CHALENG) for Homeless Veterans, VA medical centers work with representatives from other Federal agencies, state and local governments, and community-based service providers to identify the unmet needs of homeless veterans and develop action plans to meet these needs.

With DoD and GSA, VA distributes excess property (sleeping bags, blankets, and clothing) for homeless veterans. The Compensated Work therapy (CWT) Program employs formerly homeless veterans in various tasks.

VA and Housing and Urban Development (HUD) jointly sponsor the HUD-VA Supported Housing (HUD-VASH) Program for homeless veterans in 35 locations across the country.

VA clinicians provide ongoing case management for homeless veterans who have received dedicated Section 8 housing vouchers from HUD.

VA serves on the Interagency Council on the Homeless. The Secretary, Department of Veterans Affairs is the Co-Vice Chair. The Interagency Council on

the Homeless serves as a forum for the exchange of information to ensure coordination of Federal efforts to assist the Nation's homeless population.

Department of Labor's Homeless Veterans Reintegration Project (HVRP) grant recipients coordinate their efforts to assist homeless veterans with employment and vocational training with VA's HCHV and DCHV programs.

HCHV and DCHV staffs coordinate outreach and benefits certification at three sites to increase the number of eligible homeless veterans who receive Supplemental Security Income (SSI) and Supplemental Security Disability Income (SSDI) benefits and to otherwise assist in their rehabilitation.

VA collaborates with U.S. Vets, Inc., and the Corporation for National Service to expand AmeriCorps member services to homeless veterans.

### **External Factors**

VA works with a number of government agencies as well as private sector groups to provide services to homeless veterans. Improvements in the overall health of special populations will be affected, in part, by constituencies who influence these programs as well as by other government agencies and private interest groups.

### **Major Management Challenges**

The General Accounting Office (GAO) has identified Treating Veterans with Special Disabilities as a major management challenge. In response to this challenge, a Coordinator for Special Disabilities was appointed in November 2000. A new narrative format was designed for the Capacity Report which places better accountability for interpretation of data for each special disability. A Joint Work Group for each special disability category was created to determine how to better capture all data on clinical care provided to special disability patients. Accomplishments include:

- Workload capacity for special veteran populations has been maintained or improved.
- Appointment of a Clinical Coordinator in Patient Care Services has created a new dialogue and a bi-directional information exchange pathway between VISN and Clinical Managers and VA Headquarters to identify the causes of data differences between and within VISNs.

### **Data Source and Validation**

The source of data for this performance measure is a discharge form that is completed by local clinicians for every homeless veteran who enters a DCHV or community-based residential care contract program. The discharge disposition is contained on this form. The completed forms are sent to the Northeast Program

Evaluation Center (NEPEC). A national and VISN-specific report is produced quarterly.

## **Improve Timeliness and Accuracy of Compensation and Pension Claims**

**Strategic Goal:** Restore the capability of veterans with disabilities to the greatest extent possible, and improve the quality of their lives and that of their families.

**Objective 1.2:** Provide timely and accurate decisions on disability compensation claims to improve the economic status and quality of life of service-disabled veterans.

### **Performance Goals**

The Department has adopted a new budget account structure that will allow us to more closely link resources with results and to understand better the full cost of our programs. Previously, compensation and pension programs have been viewed together as part of the overall claims processing activity in VA. As we move forward with implementation of this new budget account structure, we expect to refine performance measures so that compensation and pension will be separate and each linked to the appropriate objective.

- Complete rating-related actions on compensation and pension claims in an average of 100 days.

*Definition: Elapsed time, in days, from receipt of a claim in the regional office to closure of the case by issuing a decision by a regional office. Rating-related actions include the following types of claims: original compensation, original disability pension, original dependency and indemnity compensation (DIC), reopened compensation, reopened pension, routine examinations, and reviews due to hospitalization.*

- Attain a 90 percent national accuracy rate for core rating work.

*Definition: Nationwide, the percentage of original compensation, disability pension, death compensation, and DIC claims; reopened compensation and pension claims; and appellate actions completed and determined to be technically accurate. The accuracy rate for the Nation is a compilation of the C&P Service's review of the 57 regional offices.*

- Attain 80 days for average days pending in rating-related actions.

*Definition: Average age (in days) of the inventory of claims. The measure is calculated by dividing the total number of days recorded, from receipt to the last day of the current month, for all the cases yet to be completed in the specified claim type categories, by the total number of cases yet to be completed in the specified categories.*

- Percent of claimants who are Benefits Delivery at Discharge (BDD) participants.

*Definition: Percent of total original disability claims received in a fiscal year that are processed at a BDD site.*



- Average number of days to obtain service medical records.

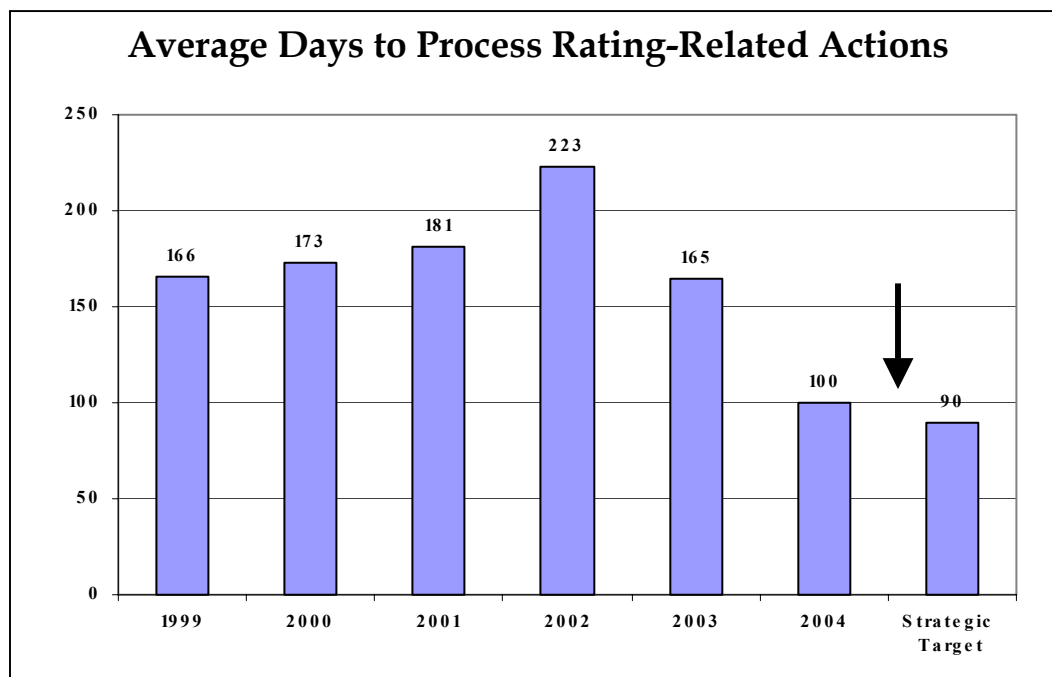
*Definition: This measure was recently identified and the specific parameters for end-points are currently under development.*

## **Current Situation Discussion**

### ***Timeliness and Quality of Claims Processing***

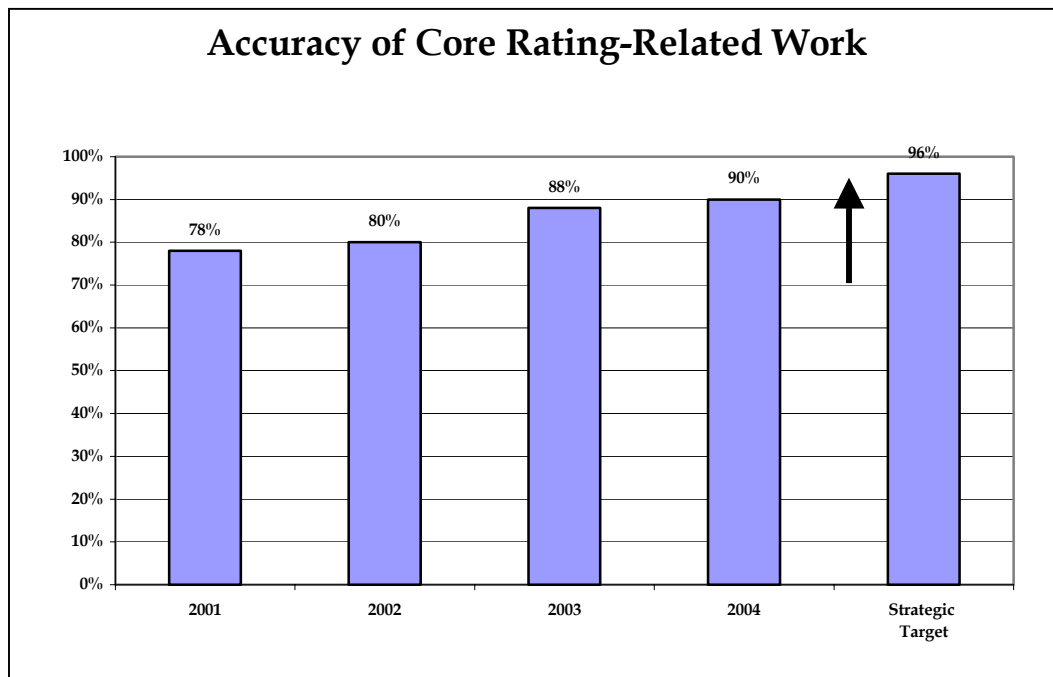
We are beginning to see improvement in processing timeliness. VBA has made great strides on the Secretary's initiative to complete our oldest pending claims: 409,000 of the 797,000 compensation and pension rating-related claims completed in FY 2002 were claims pending more than 6 months. This equates to 51% of our completed work. During FY 2001, approximately 192,000 of the 481,117 compensation and pension rating-related claims were pending more than 6 months. This ratio equaled 40%.

Concentrating on these older claims initially results in the average days to process to lengthen - nationally, we are at 202 days for October and November of 2002. However, the leading indicator for this measure - average days pending - has been steadily decreasing since January of 2002. As of January 2003, the average number of days pending is 161.5. In addition, the number of rating claims pending more than 6 months has steadily decreased, from 172,000 at the end of FY 2001 (41% of the inventory) to approximately 100,000 (31.7% of the inventory) in January 2003.



During this time that we are noticing improvements in our claims processing time, our quality review (STAR) results are showing improvement. At the beginning of the year, findings showed some problems complying with the DTA

(Duty To Assist) requirements, while later findings are showing improvements in compliance.



*Note: The method for calculating accuracy of core rating-related work changed in FY 2001. Therefore, values prior to FY 2001 are not shown.*

Several key measures are identified which gauge our progress in moving toward the goal of restoring the capability of disabled veterans to the greatest extent possible and improving the quality of life for these veterans and their families.

Improving the timeliness and quality of claims processing is a Presidential priority. The Secretary of Veterans Affairs has set a goal to achieve a monthly average of 100 days to process rating-related claims during the last quarter of FY 2003, and maintain that improved timeliness standard in FY 2004, while continuing to improve quality. This performance plan describes how we are working to achieve that goal.

Timeliness of claims processing, especially rating-related actions, continues to be an important issue for the Department. Over the last several years, VA has developed and implemented major initiatives, established cooperative ventures with other agencies, and used technology and training to address this issue.

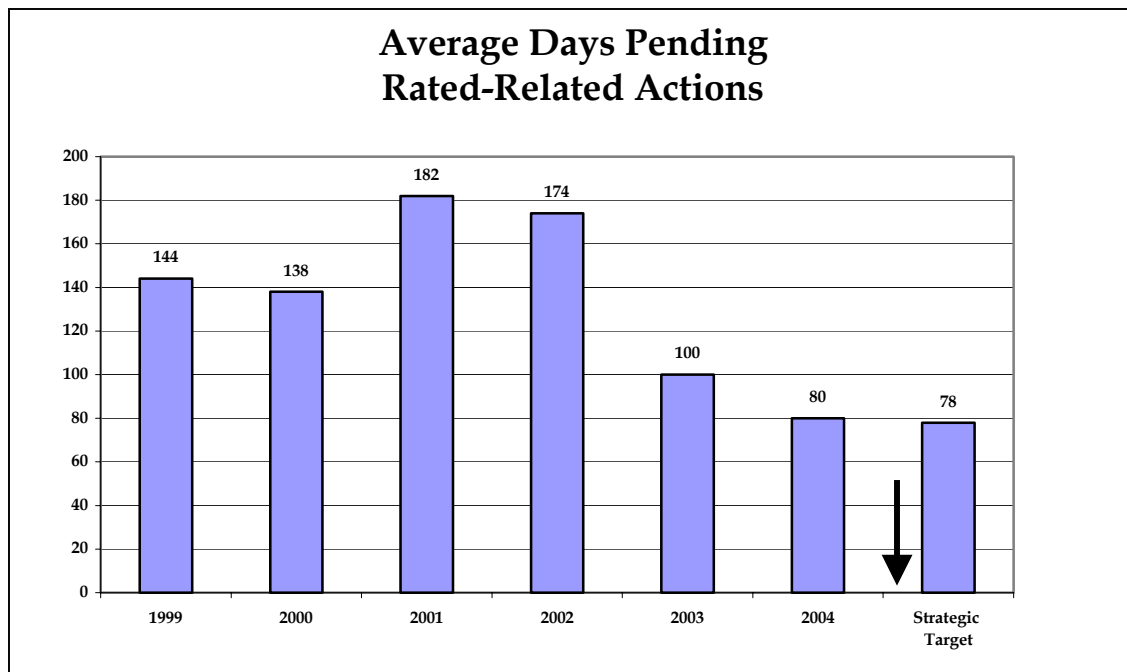
In 2001, the Secretary launched a major initiative to form a special claims processing task unit, known as the Tiger Team, to process VA's oldest pending claims belonging to the nation's oldest veterans. The team, located in Cleveland, became operational in November 2001 and focuses on claims pending over one

year and those belonging to veterans age 70 and over. Concurrent with the Tiger Team formation, the nine VBA Resource Centers began processing long pending claims submitted to other regional offices. Resource Centers were originally established in each Service Delivery Network (SDN) to work rating-related cases, but with the dissolution of SDNs the Resource Centers focused on processing claims with the same criteria that the Tiger Team uses.

From April 2002 to September 2003, the combined goal of the Tiger Team and Resource Centers is to complete 83,000 claims. As of January 2003, the Tiger Team and Resource Centers have exceeded monthly targets each month since the initiative began. Through the end of FY 2002, Tiger Team and Resource Centers completed 51,963 claims. Rating claims expeditiously will help to improve the quality of life for disabled veterans and their families.

Accuracy continues to be a high priority within the Veterans Benefits Administration. Beginning FY 2002, case reviews for quality assurance conducted directly by Compensation and Pension Service staff members were increased by over 11,000 reviews in FY 2002 (from 6,200 to 17,200 reviews). This increase was made to measure regional office accuracy based on nationally conducted independent reviews rather than based on local reviews. This change is consistent with a General Accounting Office (GAO) recommendation calling for independence of the review function. To meet this increased workload, an out-based Compensation and Pension Office was created in Nashville, Tennessee. The staff at this office also supports the Compensation and Pension Examination Project Office located at the VA Medical Center, Nashville by conducting quality reviews of completed C&P examinations.

Workload levels are a contributing factor to both, timeliness and quality of



claims. By the end of FY 2001, with introduction of new legislation such as the Veterans Claims Assistance Act, additional presumptions granted for diabetes, and issues relating to radiation exposure, there were over 532,000 rating and non-rating claims. Almost 202,000 (38 percent) of these claims were pending more than 6 months at the end of FY 2001. Efforts to reduce pending claims began to show positive results in 2002. By the end of September 2002 there were 465,950 total claims pending and 139,603 (30 percent) were pending for over 6 months. In December 2002, total claims pending was 446,695 and 127,476 (29 percent) were pending over 6 months.

The VA Claims Processing Task Force was formed a year ago to assess VBA organization, propose measures and actions to increase the efficiency and productivity of operations, shrink the backlog of claims, and maintain and improve the quality of decisions.

Regarding management and workforce, the VA Claims Processing Task Force also observed that the current work management system in many Regional Offices (ROs) contributes to inefficiency and an increased number of errors. This, coupled with the “first-in-first-out” approach to claims processing, was inconsistent with effective inventory management and was contributing not only to the increasing backlog of claims but to their increasing age. As a result of recommendations listed in the VA Claims Processing Task Force’s Report to the Secretary of Veterans Affairs dated October 2001, the Claims Processing Initiative was developed. This initiative encompasses changes to management and workforce, training, and quality using information technology.

These improvements noted over the past few months are in part due to the increased accountability placed on our field offices. In the past, successes were measured at the SDN level, whereas today, every field office is accountable for its performance.

In order to ensure that field offices are aware of their accountability, we have increased the number of site surveys we conduct each year. These surveys assess the performance and efficiencies, or lack thereof, of the claims process at each field office. The findings are presented to the field office’s management staff and a report is later sent to them. This report is used by the Under Secretary for Benefits to hold Directors and Veterans Service Center Managers accountable for their efforts to ensure that veterans are receiving timely, accurate service.

On a quarterly basis, VBA also performs data integrity checks of the claims completed by the field offices. These checks allow them to identify trends among the field offices as to whether proper credit is taken for the work done on a claim. These checks also identify whether employees are taking multiple credit for work done on claims. Field offices are also held accountable for any anomalies noted in the data integrity checks.

### *Appeals Processing*

The decision on a claim at a Regional Office is not necessarily the end of the decision-maker's involvement with a veteran's case. If a veteran disagrees with the initial decision, he or she may file a notice of disagreement that starts the appeals process. Although not a key measure, improving appeals resolution time is an important objective of VA. For 2004, our performance goal is to complete appeals in an average of 520 days. Appeals resolution time is the average length of time it takes VA to process an appeal from the date a claimant files a Notice of Disagreement (NOD) until a case is resolved, including resolution at a regional office or a final decision by the Board of Veterans' Appeals (BVA).

Reducing the number of appeals remanded by the Board of Veterans Appeals is a central component of the strategy for reducing appeal resolution time. Remanded cases represent a part of the appellate cycle where individual evidence, medical or otherwise, is needed to satisfy legal requirements. On average, it adds 2 years to the processing time for an appeal and demands additional financial resources. These delays affect not only the individual cases, but, because by law the oldest cases must be processed first, processing of newer appeals is delayed when remanded appeals are returned for re-adjudication.

To reduce the number of cases being remanded to ROs, BVA and VBA began collaboration in February 2002, with a team of eight BVA personnel and three VBA personnel. In November 2002, based on workload in this unit, the BVA number was increased to 32 employees. BVA personnel are developing evidence on appeals, rather than remanding them back to the field stations to be developed. The VBA personnel are doing ratings and awards on appeals at BVA when a partial grant of benefits results from a BVA decision in an appealed case that will require further development. In FY 2002, only 19 percent of the cases being processed by BVA were remanded to the field offices to be developed. This is down from 48.8 percent in FY 2001 when the Board had to remand nearly half of its cases to assure compliance with the Veterans Claims Assistance Act of 2000 (VCAA). In FY 2000 the remand rate was 29.9 percent, the lowest it had been since FY 1991.

Cooperation with BVA concerning remand development should lead to a significant downward trend for the remand rate in the future. The recent change regarding evidence development by the Board will also result in a downward trend in the appeals resolution time. This reduction, however, will not be realized until the volume of cases now in remand status have been worked through the system to final resolution.

### **Means and Strategies**

The Department continues striving toward our vision of improved performance in claims processing. Initiatives dedicated to this effort have been both numerous and diverse, but all with one common goal – enhancement of the

claims process to improve the quality of lives of veterans and that of their families by improving timeliness and accuracy of claims. Our most important initiatives during 2004 include the following:

- **Claims Processing Task Force Improvements (CPI)-** This initiative encompasses changes to management and workforce, training, and quality. Claims work is handled by specialized teams to reduce the variety of tasks each claims processor performs daily, allowing immediate analysis of each claim coming into the team. A number of Rating Veterans Service Representatives (RVSR) are out-based at VA Medical Centers (VAMC) to improve the quality and the timeliness of exams conducted at that facility. The specialized team environment enhances the need for ongoing, effective training. A training infrastructure within VBA will be formed since this is critical to the success of the specialized team concept.
- **Compensation and Pension Evaluation Redesign (CAPER) --** As we head into the 21<sup>st</sup> century, we are aware of heightened expectations from customers, rapid change in technology, increasing complexity of decisions, extremely tight labor markets, and a VA workforce which will see significant turnover in the skill-intensive Rating Veterans Service Representative (RVSR) position. Current experience documents that the time to fully train an individual for this position can take up to 3 years. The CAPER team will review all phases of the C&P claims process from the initiation of medical evidence development to the point a rating decision is completed. This project will determine what the optimum exam and other medical evidence gathering processing should be and how they can be integrated to improve the overall disability evaluation process. Furthermore, the team will gather and evaluate medical evidence associated with disability claims and construct a revised model for evaluating disabilities. The CAPER prototype is being developed and in 2004 it will be tested at selected pilot sites. Therefore, the impact of this initiative on performance is not anticipated until FY 2005.
- **Training and Performance Support Systems (TPSS) --** This initiative develops four comprehensive training and performance support systems for the core service delivery positions of the reengineered environment. The four systems are for a) basic rating (RVSR); b) veterans service representatives (VSR); c) journeyman level rating specialists to include the Decision Review Officers; and d) field examiners. VSR modules will be redesigned in FY 2003 to accommodate the training needs resulting from a change in the Service Center structure. These revised modules will be released in FY 2004. As scheduled, advanced rating and field examiner modules will be designed, developed, and released in FY 2004 and FY 2005.

- **Virtual VA** - The Virtual VA Project replaces the current paper-based claims folder with electronic images and data that can be accessed and transferred electronically through a web-based solution. It will provide a long-term solution to improving the quality of claims processing for veterans and their dependents through enhanced file management, a reduced dependency on paper, and increased workload management across the business enterprise. In FY 2002, the focus of Virtual VA was primarily on supporting pension processing at the three pension maintenance centers. In 2004, after review of processing effectiveness at the pension centers is completed, Virtual VA will be used for compensation processing at pension centers. The Virtual VA system should be deployed at the three pension centers and 57 compensation processing centers between 2004 and 2008.

VA has taken steps to offset the impact of legislative and regulatory changes on timeliness and accuracy by implementing countermeasures using available resources. In addition to the agreement with BVA concerning remand development and focus on specialized claims processing by the Tiger Team, we have successfully implemented the following measures in FY 2002:

- The centralized processing of pension maintenance workload began in January 2002. VBA established three Pension Maintenance Centers (PMC) located in Philadelphia, St. Paul, and Milwaukee. This effort has significantly streamlined the processing of EVRs (Eligibility Verification Report) and IVMs (Income Verification Match) as well as ensured uniform application of the pension laws. It has also allowed the compensation field offices to focus their efforts on processing compensation claims. Currently the pension centers are processing EVRs in the Virtual VA environment.
- In-service death claims processing was centralized to the Philadelphia Regional Office in August 2002. By centralizing our outreach efforts to this group of beneficiaries, our outreach efforts are more focused to ensure that these beneficiaries receive timely and accurate service during a time of great financial and emotional need.

VBA also expects to successfully implement the following countermeasures in 2003:

- The Modern Award Processing Development (MAP-D), an application designed to facilitate the development phase of claims processing, will be fully deployed in July 2003.
- In August 2002, training for the deployment of Virtual VA began. The Philadelphia PMC began to use VVA in late 2002, while Milwaukee and St. Paul will be using VVA by the end of FY 2003.

- VBA will place full-time homeless coordinators at the 20 regional offices with the largest homeless populations.
- The programming of enhancements to the Rating Board Automation (RBA) 2000 application were completed in December 2002, and testing is currently underway. Full usage of this application is expected by July 2003.

### **Crosscutting Activities**

VA has begun several collaborative efforts with the Department of Defense (DoD) to facilitate our goals of improved accuracy, timeliness, and customer service. In collaboration with DoD, we are working on an electronic data exchange system as well as a joint VA/DoD examination process at the time of separation from service. Our Benefits Delivery at Discharge process, which began in 1995, serves 133 military bases through 42 Regional Offices. The total number of BDD exams completed in FY 2001 was 23,451. The total number of BDD exams completed in FY 2002 was 27,111. The goal of the continental BDD effort to establish a VA presence in the top 20 military transition sites was achieved in FY 2001. The goal of the overseas BDD to reach Korea and Germany was achieved last year.

The FY 2002 national average time for obtaining service medical records was 63.2 days. This value ranged from a high of 97.2 days to a low of 49.0 days. The time needed to obtain service medical records impacts claims processing timeliness. Decreases in the time to retrieve service medical records should positively impact claims processing timeliness.

### **External Factors**

Legislation was recently passed to allow for Combat Related Special Compensation Pay for certain retired veterans with service-connected disabilities. VBA is assessing the effect, if any, of this legislation on its workload.

### **Major Management Challenges**

GAO and IG have identified timeliness and accuracy of claims processing as challenges for VA's compensation and pension programs (more discussion found in Major Management Challenges section of this document). The timeliness and quality of C&P medical examinations also needs improvement.

Accuracy of the Claims Process. Accuracy continues to be a high priority within the Veterans Benefits Administration. A more extensive training program, along with an expanded accuracy review process, has been developed to accomplish the level of accuracy deserved by our external customers.

Claims Processing Timeliness. VA is committed to reducing the time required to process veterans' claims. Technological advancements in our systems as well



as joint endeavors with DoD are expected to aid in attaining our goal of 100 days processing time in the summer of 2003.

*Timeliness and Quality of Compensation and Pension Medical Examinations.* We continue to integrate initiatives such as pre-discharge centers and the VBA/VHA examination project office to improve the examination process.

### **Data Source and Validation**

#### ***Claims Processing Timeliness***

The timeliness of claims processing is measured using data captured automatically by the Benefits Delivery Network as part of claims processing.

VA has taken several steps to ensure it has accurate and reliable data in its reports. A database of all end-product transactions is maintained and analyzed on a weekly basis to identify questionable actions by regional offices. The C&P Service reports quarterly on its findings and calls in cases for review from stations with the highest rates of questionable practices. The findings are shared with VBA senior management to ensure accountability of the claims process. Station Directors are asked to explain the reasons for the anomalies. Adjustments to the work effort generated by the field offices may take place.

#### ***National Accuracy Rate***

VBA's quality assurance program for compensation claims processing has been revised to separately identify benefit entitlement processing accuracy, decision documentation/notification accuracy, and administrative issues.

In October 2001, the STAR program revised the values for the areas contained in the accuracy rate. The national values focused on benefit entitlement issues. For rating-related issues, these areas include issues claimed, effective dates, payment rate, application of VCAA, and proper evidence gathering. For non-rating claims, these areas include effective dates, payment rate, income issues, and dependency issues.

The sample size of claims reviewed by this staff is large enough to ensure a 95 percent confidence level with a sampling error rate of +/- 5 percent for the nation. The regional office sample size will ensure a confidence level of 95 percent with a margin of error range from +/- 6 percent for best performing regional offices to +/- 9 percent for regional offices with the lowest performance rates. The sample size will be increased for the six regional offices with the poorest documented performance in both rating and authorization reducing the margin of error to +/- 6 percent on the subsequent review. The sample will also be increased for the four largest regional offices.

#### ***Average Days Pending***

Average days pending are measured using data captured automatically by the Benefits Delivery Network as part of claims processing. Data is obtained

from COIN DOOR Reports that show the full range of claims received and the average days pending by claim type.

***Benefits Delivery at Discharge***

Benefits Delivery at Discharge information is self-reported by regional offices through e-mail that are sent on a quarterly basis. Data validation is achieved through planned, routine, BDD site visits.

***Average number of days to receive service medical records***

The data source for this measure will probably be the COIN DOOR Reports that show the full range of claims received. Assuming information comes from this source, it will be reasonably accurate.

## Focus Vocational Rehabilitation Resources

**Strategic Goal:** Restore the capability of veterans with disabilities to the greatest extent possible, and improve the quality of their lives and that of their families.

**Objective 1.3:** Provide all service-disabled veterans with the opportunity to become employable and obtain and maintain suitable employment, while providing special support to veterans with serious employment handicaps.

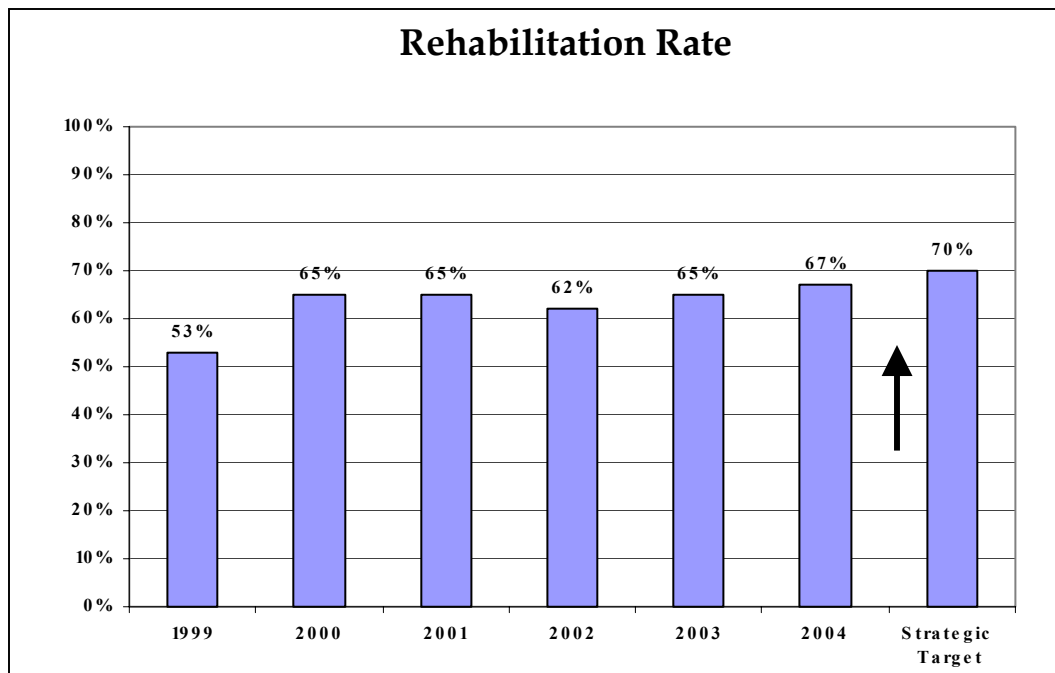
### Performance Goal

At least 67 percent of all veteran participants who exit the vocational rehabilitation program will be rehabilitated.

*Definition: The percentage of veterans who acquire and maintain suitable employment and leave the program, compared to the total number leaving the program. For those veterans with disabilities that make employment infeasible, Vocational Rehabilitation and Employment (VR&E) seeks to assist them to become independent in their daily living.*

### Current Situation Discussion

For many disabled veterans, the VR&E program is the best opportunity they have to establish themselves in suitable employment, or achieve the maximum level of functioning in daily living activities. Many circumstances exist that preclude the completion of the rehabilitation goal, such as worsening of disability, or personal/financial hardship. The VR&E program is committed to helping veterans complete their programs successfully. The objective focuses on this commitment and sets goals for all veteran participants and those participants



who meet the additional criteria of a serious employment handicap. The desired outcome is to place service-disabled veterans in suitable employment or facilitate the achievement of independence in daily living, following a program of rehabilitation services.

Improving access to our program will improve our communications capability and help us identify participants' program needs. This will facilitate our on-time case management approach to ensure that our participants will be able to complete their programs and move into suitable employment as quickly and as efficiently as possible.

Our staff will continue to receive employment services training in recruitment and placement, job development, and reasonable accommodations. Our legislatively mandated effort to assure that our staff has the type and level of skills needed to provide excellent service will continue.

Our employment specialist strategy includes establishing relationships with employers to match the developing skills of our veteran participants with market demands for current and future job markets.

### **Means and Strategies**

Vocational Rehabilitation and Employment (VR&E) will continue its succession planning process by changing the skill mix of its staff from Vocational Rehabilitation Specialist and Counseling Psychologist to Employment Specialist and Vocational Rehabilitation Counselor.

VR&E is placing emphasis on the training of employees throughout the program to improve the staff's competency and skill level in support of providing the best possible service to veterans. Training is being offered by several methods including satellite broadcasting, video training programs, in-house training at each office, and researching the future development of computer-based training, which will be available for all VR&E staff, both for new employees as well as refresher training for existing staff.

VR&E has contracted for a longitudinal study with an outcome-based assessment framework for examining the efficacy of the Chapter 31 program for veterans with service-connected disabilities. This framework will then allow for making outcome comparisons according to characteristics of the individual as well as the region of the country in which they reside and the health of the economy at the time the service was provided.

### **Crosscutting Activities**

In support of Public Law 106-50, Veterans Entrepreneurship and Small Business Development Act of 1999, VR&E is focusing on the self-employment needs of disabled veterans by identifying opportunities to improve self-employment assistance, and develop effective partnerships with other federal

agencies serving disabled veterans. VR&E staff will require up-to-date training in best practices in self-employment, access to effective technical assistance, and access to self-employment resources. VA will partner with the Department of Labor (DOL) and Small Business Administration (SBA) to conduct training on self-employment assistance.

Also in 2004, the existing joint VA/DOL/SBA training program will continue to improve and update the skills of our rehabilitation counselors, employment specialists, and other direct service-delivery staff. This cross-agency training helps build networking and partnering links that can speed the employment process. In prior years, employment services training, including job-hunting strategies, marketing techniques, networking, and employment resources, provided to our supervisory staff, case managers, and employment specialists has helped us to reduce the amount of time needed for veterans to move into suitable employment. The training has become an integral part of our long-term improvements.

### **Major Management Challenges**

The Vocational Rehabilitation and Employment program is affected by the current status of the economy as well as the attrition of program participants. The VR&E leadership identified fundamental, systemic issues that must be addressed to create lasting improvements in the VR&E program. They are summarized into the six major areas described below:

**Strengthen focus on employment.** The program has made significant improvement in the placement of disabled veterans in suitable employment. VR&E implemented an Employment Specialist position that assisted in redirecting the program's emphasis to employment. Within the program's succession planning, recruitment that includes the Employment Specialist position will require personnel to obtain more expertise in employment markets and trends, and job placement strategies. Achieving this will require additional tools and training in the latest rehabilitation and employment services techniques.

**Realign customer perceptions and expectations with the program's intent.** Many veterans, stakeholders, and partners view the VR&E program as an education program, rather than a program geared toward employment. As a result, many veterans have misconceptions when they apply for the program, leading to frustration and high attrition in the application and evaluation phases of the rehabilitation process.

**Improve monitoring of outcomes and feedback to the program.** VR&E has undertaken a study to try to determine the risk factors of why a significant percentage of program participants eventually drop out of the program. However, until the full implementation of Phase II of Corporate WINRS and the continued comprehensive collection of data on all new cases, we do not have the

IT infrastructure to provide the longitudinal data to measure long-term success of participants.

**Improve IT support for the program.** National veterans' data and routine automated tasks have been incorporated into Phase I of Corporate WINRS case management and information system. However, some functions will continue to be performed manually until Phase II of Corporate WINRS is fully automated with all existing or projected new and updated IT systems.

**Foster coalitions with peer organizations and partners.** VR&E conducted joint training with DOL and is working on developing training with the SBA. Still, there are locations that have been unable to complete their comprehensive training at the local level. VR&E is developing a relationship with DoD to provide information on how to convert/utilize education and training from military experience in the civilian workforce. Through more effective networking and partnerships, VR&E will enhance its ability to provide veterans with program information and services to help them achieve their goals.

**Improve business process efficiencies.** The guiding principles and strategies for the future concentrate on improving personal contacts with veterans so they are actively involved throughout their rehabilitation program. Streamlined business processing will reduce the number of handoffs involved with the veteran's claim and will reduce the potential for errors. From the perspectives of veterans, stakeholders, and VR&E personnel, greater continuity of services enhances veterans' successful completion of their rehabilitation plans.

#### **Data Source and Validation**

The corporate WINRS case management and information system is the main source of information for VR&E. Accuracy of data related to the veterans' case is accomplished through the VR&E Quality Assurance Program. The VR&E Quality Assurance process measures work performance at each regional office. A collaborative group consisting of VBA Central Office personnel and field office staff conduct quality reviews on each regional office twice a year. At the conclusion of each review, the regional office receives notification of the results, identification of both successes and deficiencies, and instructions on how to submit cases for re-evaluation. When areas of concern are identified, the review results in additional refresher training for VR&E staff, improved accuracy, and improved services to better meet the needs of disabled veterans.

A team of Central Office personnel will conduct approximately twelve field surveys yearly. Subject matter experts will conduct on-site surveys of the VR&E operations at each regional office. These on-site surveys will ensure consistent management of operations and service delivery practices in a real-world environment. The on-site visits will augment the reviews of casework by analyzing systematic management of resources, data, and fiscal responsibilities;

internal controls which are designed to identify and correct systemic vulnerabilities of fraud, waste, abuse and inconsistent policies and practices; and other program integrity issues. Additionally, the on-site visits will review areas of significant strength so that best practices can be catalogued and deployed to other offices as well as ensure that countermeasures to correct any noted quality or operational deficiencies have been established.

## **Improve the Standard of Living of Eligible Survivors of Service-Disabled Veterans**

**Strategic Goal:** Restore the capability of veterans with disabilities to the greatest extent possible, and improve the quality of their lives and that of their families.

**Objective 1.4:** Improve the standard of living and income status of eligible survivors of service-disabled veterans through compensation, education, and insurance benefits.

### **Performance Goal**

There are currently no key performance measures associated with this objective.

### **Current Situation Discussion**

VA's compensation program provides monthly payments to surviving spouses, dependent children, and dependent parents in recognition of the economic loss caused by veteran's death during military service or, subsequent to discharge from military service, as a result of a service-connected disability. Through these payments the Department assisted in improving the economic status of more than 300,000 surviving spouses and family members during 2002. The average annual benefit payment was about \$12,500.

The Department also provides education benefits to children and spouses of veterans who died of a service-connected disability or whose service-connected disability is rated permanent and total. These education benefits place the family members in a better position to find suitable employment and ultimately improve their economic standing. During 2002, VA furnished education and training benefits to over 52,000 dependents with an average annual benefit of over \$4,100.

VA's insurance program offers life insurance benefits to veterans and servicemembers who may not be able to obtain commercial insurance due to lost or impaired insurability resulting from military service.